

Message Text

LIMITED OFFICIAL USE

PAGE 01 COPENH 02984 282132Z

72

ACTION EUR-25

INFO OCT-01 ISO-00 IO-14 AF-10 ARA-16 EA-11 NEA-10 RSC-01

EB-11 SCEM-02 SCI-06 INT-08 SPC-03 AID-20 NSC-10

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 PA-04 PRS-01

USIA-15 ACDA-19 SSO-00 NSCE-00 INRE-00 CCO-00 DRC-01

/244 W

----- 105144

R 281519Z NOV 73

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 8126

INFO /AMEMBASSY BONN 1167

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY DUBLIN

USMISSION GENEVA

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

USMISSION NATO

AMEMBASSY JIDDA

AMEMBASSY TEL AVIV

AMEMBASSY TOKYO

USINT ALGIERS

AMEMBASSY RABAT

AMEMBASSY TUNIS

LIMITED OFFICIAL USE COPENHAGEN 2984

E.O. 11652: N/A

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 COPENH 02984 282132Z

TAGS: EC ENRG ETRD DA

SUBJ: EC MEDITERRANEAN POLICY AND OIL SHORTAGES

REF: COPENHAGEN 2958 (NOTAL)

BEGIN SUMMARY. IN PRESS INTERVIEW, ACCURACY OF WHICH HAS NOT RPT NOT BEEN CONFIRMED BY FONOFF, FONECONMIN NORGAARD REPORTEDLY THREATENED ECONOMIC COUNTER-MEASURES AGAINST ARABS SHOULD OIL SHORTAGES FURTHER INCREASE HARDSHIPS IN COMMUNITY. HE CALLED OIL CRISIS A THREAT TO EXISTENCE OF EC BUT NOTED THAT, FOR NOW, NO RESTRICTIONS ON INTRA-COMMUNITY TRADE IN OIL EXIST. HE URGED EC SOLIDARITY TO ASSURE NO ONE COUNTRY IS DEPRIVED OF OIL SUPPLIES. FONOFF OFFICIALS ARE CLEARLY EMBARRASSED AND DEFER ALL COMMENT TO NORGAARD HIMSELF. HE IS UNAVAILABLE FOR COMMENT. FONOFF SOURCES SUGGEST, HOWEVER, THAT DANES MAY TAKE SIMILAR POSITION AT EC COUNCIL DECEMBER 3-4 MEETING WHEN MAGHREB AGREEMENTS COME UP FOR DISCUSSION. END SUMMARY.

1. IN PRESS INTERVIEW IN BRUSSELS, PUBLISHED BY BERLINKSKE TIDENDE NOVEMBER 28, FONECONMIN IVAR NORGAARD (CURRENTLY PRESIDENT EC FOMIN COUNCIL) REPORTEDLY STATED THAT OIL CRISIS IS THREAT TO EXISTENCE OF EC. HE FOUND IT UNDERSTANDABLE, THOUGH UNFORTUNATE, THAT COUNTRIES TAKE ADVANTAGE OF SCARCITY BY INCREASING PRICES BUT HE FOUND IT "UNJUSTIFIABLE" (FORKASTELIG) THAT ARAB COUNTRIES GO SO FAR AS TO MAKE OIL SUPPLIES CONDITIONAL ON POLITICAL ATTITUDES OF RECIPIENTS. HE IS QUOTED AS SAYING THAT, IF ARAB ACTIONS ON OIL SUPPLIES RESULT IN SEVERE HARDSHIPS IN EUROPE, "THE EC WILL HAVE TO RECONSIDER ITS ECONOMIC POLICY TOWARD THESE COUNTRIES". HE REFERRED TO PRESENT CONSULTATIONS WITH A NUMBER OF MEDITERRANEAN COUNTRIES (PRESUMABLY MAGHREB) ON TRADE AND FINANCIAL COOPERATION, AND SAID THAT EC OFFER TO THESE COUNTRIES SHOULD BE CONSIDERED IN CONJUNCTION WITH OIL CRISIS. HE NOTED EC COUNCIL WILL CONSIDER MEDITERRANEAN POLICY AT DECEMBER 3-4 MEETING.

2. NORGAARD WAS ASKED ABOUT EFFECTS OF OIL CRISIS ON EC SOLIDARITY. NORGAARD SAID IT IS PREMATURE TO SAY EC SOLIDARITY HAS BEEN STRAINED. "ON THE CONTRARY, WE STILL MAINTAIN PRINCIPLE OF A COMMON MARKET FOR OIL. UNTIL NOW, RESTRICTIONS ON INTRA-COMMUNITY TRADE HAVE NOT BEEN IMPLEMENTED." WITH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 COPENH 02984 282132Z

OBVIOUS REFERENCE TO THE DUTCH SITUATION, NORGAARD WENT ON TO DESCRIBE TWO ASPECTS OF SOLIDARITY: (A) AN INTERNAL FREE MARKET SO THAT ANY ONE COUNTRY IS NOT DEPRIVED OF SUPPLIES, AND (B) A UNIFORM EC RESPONSE TOWARD COUNTRIES WHICH TREAT IT AS IF IT WERE THE ENEMY. HE ADDED THAT "IT CANNOT BE AN EXPRESSION OF SOLIDARITY IF ONE OR MORE OF THE MEMBER COUNTRIES IS FORCED TO IMPLEMENT HEAVIER LIMITATIONS ON CONSUMPTION THAN THE OTHERS. THIS COULD BE A THREAT AGAINST FREE COMPETITION AND BALANCED

DEVELOPMENT WITHIN EC."

3. FROM UNDER SECRETARY (JENS CHRISTENSEN) ON DOWN, FONOFF HAS REFUSED COMMENT ON REPORTED NORGAARD INTERVIEW, SUGGESTING THAT NORGAARD BE ASKED DIRECTLY WHETHER NEWSPAPER CORRECTLY PRESENTED HIS VIEWS. MINISTER RETURNED FROM BURRSELS LATE LAST NIGHT AND HAS NOT BEEN AVAILABLE FOR COMMENT. FONOFF OFFICIALS ARE OBVIOUSLY DISTURBED BY STATEMENT WHICH ONE ADMITTED IS PROBABLY STRONGEST PUBLIC REMARK TOWARD ARABS YET MADE BY EUROPEAN MINISTER.

4. WE UNDERSTAND FROM ONE FONOFF OFFICIAL THAT BACKGROUND TO NORGAARD REMARKS MAY BE RECENT DANISH INTRA-GOVERNMENTAL DISCUSSIONS OF POLITICAL EFFECT ON PUBLIC OF SIGNING AGREEMENT WITH MAGHREB COUNTRIES WHICH, INTER ALIA, PROVIDES AID AT TIME THESE COUNTRIES SHARING IN RESPONSIBILITY FOR DENIAL OF OIL SUPPLIES TO EUROPE. IT WAS FELT BY POLITICANS THAT PUBLIC WOULD SIMPLY NOT UNDERSTAND SUCH ACTION. THIS OFFICIAL PERSONALLY FELT THAT EC WOULD HAVE LITTLE LEVERAGE WITH ARABS IN THREATENING DELAY IN OR MODIFICATION OF MAGHREB AGREEMENTS BUT HE DID FEEL THAT, AT MINIMUM, MAGHREB AGREEMENTS WOULD HAVE TO BE MODIFIED TO PROVIDE EXPLICITLY AGAINST QUANTITATIVE EXPORT RESTRICTIONS BY MAGHREB COUNTRIES.

5. SAME OFFICIAL SAID THESE DANISH VIEWS MAY OF COURSE BE MODIFIED IN COURSE OF COUNCIL DISCUSSIONS AND THAT, IN ANY EVENT, ISSUES OF REVERSE PREFERENCES AND FINANCIAL PROTOCOLS, WHICH REMAIN UNRESOLVED, MAY BE QUITE ENOUGH TO DELAY AGREEMENT BEYOND JANUARY 1 TARGET. HE ALSO SUSPECTED FRENCH WOULD BE VERY DIFFICULT ABOUT ANY SUGGESTION OF COUNTER-MEASURES AGAINST MAGHREB BECAUSE OF OIL AND COULD INSIST THAT ANY MEASURES AGAINST MAGHREB BE BALANCED BY DELAYS IN CONCLUDING AGREEMENT WITH ISRAEL.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 COPENH 02984 282132Z

CROWE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, FOREIGN RELATIONS, SPEECHES, FOREIGN POLICY POSITION, ASSISTANCE CONTRACTS (AID)
Control Number: n/a
Copy: SINGLE
Draft Date: 28 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973COPENH02984
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: COPENHAGEN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973119/aaaaagaz.tel
Line Count: 155
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: COPENHAGEN 2958 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Sep-2001 by rowellE0>; APPROVED <25-Sep-2001 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC MEDITERRANEAN POLICY AND OIL SHORTAGES
TAGS: ENRG, ETRD, EC, DA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005